

**NORTHWESTERN STATE UNIVERSITY FOUNDATION  
NATCHITOCHES, LOUISIANA  
FINANCIAL STATEMENTS  
JUNE 30, 2013**

**HINES, SHEFFIELD & SQUYRES, LLC  
CERTIFIED PUBLIC ACCOUNTANTS  
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**NORTHWESTERN STATE UNIVERSITY FOUNDATION  
NATCHITOCHES, LOUISIANA  
FINANCIAL STATEMENTS  
JUNE 30, 2013**

NORTHWESTERN STATE UNIVERSITY FOUNDATION  
NATCHITOCHES, LOUISIANA  
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# HINES, SHEFFIELD & SQUYRES, L.L.C.

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Northwestern State University Foundation  
Natchitoches, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of Northwestern State University Foundation (a non-profit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northwestern State University Foundation as of June 30, 2013, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Hines, Sheffield & Squyres*  
Natchitoches, Louisiana  
October 8, 2013

NORTHWESTERN STATE UNIVERSITY FOUNDATION  
NATCHITOCHES, LOUISIANA  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2013

<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$ 2,387,262
Promises to give	0
Investments	11,135,307
Other current assets	<u>1,189</u>
Total Current Assets	13,523,758
 Fixed assets, net	 0
Other assets	<u>66,416</u>
 Total Assets	 <u>\$ 13,590,174</u>
 <b>LIABILITIES AND NET ASSETS</b>	
Current Liabilities	
Current portion of long-term debt	\$ 178,360
Accounts payable and accruals	188,570
Funds held in custody	<u>0</u>
Total Current Liabilities	366,930
 Long-term debt, net of current portion	 <u>858,137</u>
 Total Liabilities	 1,225,067
 Net Assets	
Unrestricted	259,624
Temporarily restricted	3,513,269
Permanently restricted	<u>8,592,214</u>
Total Net Assets	<u>12,365,107</u>
 Total Liabilities and Net Assets	 <u>\$ 13,590,174</u>

The notes to the financial statements are an integral part of this statement.

NORTHWESTERN STATE UNIVERSITY FOUNDATION  
NATCHITOCHES, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS</b>				
Contributions	\$ 158,988	\$ 1,135,371	\$ 670,774	\$ 1,965,133
Fund raising	61,409	1,493,489	0	1,554,898
Investment income	8,164	234,650	79	242,893
Sales and fees	980	0	0	980
Unrealized gains/(losses) on investments	2,028	1,135,531	0	1,137,559
Other	14,849	111,754	0	126,603
Net Assets Released from Restrictions:				
Satisfactions of Program Restrictions	<u>3,480,184</u>	<u>(3,352,557)</u>	<u>(127,627)</u>	<u>0</u>
 Total Public Support, Revenues and Reclassifications	 3,726,602	 758,238	 543,226	 5,028,066
<b>EXPENSES</b>				
Program services				
Equipment purchases for NSU	299,361	0	0	299,361
Marketing and promotions	316,492	0	0	316,492
Materials and supplies	557,657	0	0	557,657
Professional services	244,312	0	0	244,312
Scholarships	930,102	0	0	930,102
Transfers to NSU	365,181	0	0	365,181
Travel	217,174	0	0	217,174
Other program services expenses	388,115	0	0	388,115
Supporting services				
Fund raising	300,347	0	0	300,347
Management and general	<u>99,665</u>	<u>0</u>	<u>0</u>	<u>99,665</u>
 Total Expenses	 <u>3,718,406</u>	 <u>0</u>	 <u>0</u>	 <u>3,718,406</u>
 Change in Net Assets	 8,196	 758,238	 543,226	 1,309,660
 Net Assets, Beginning of year	 <u>251,428</u>	 <u>2,755,031</u>	 <u>8,048,988</u>	 <u>11,055,447</u>
 Net Assets, End of year	 <u>\$ 259,624</u>	 <u>\$ 3,513,269</u>	 <u>\$ 8,592,214</u>	 <u>\$ 12,365,107</u>

The notes to the financial statements are an integral part of this statement.

NORTHWESTERN STATE UNIVERSITY FOUNDATION  
NATCHITOCHES, LOUISIANA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2013

Cash Flows From Operating Activities	
Change in net assets	\$ 1,309,660
Adjustments to reconcile change in net assets to net cash used by operating activities	
Unrealized gain on investments	(1,137,559)
(Increase)/decrease in operating assets	
Other current assets	2,537
Other assets	(1,912)
Increase/(decrease) in operating liabilities	
Accounts payable and accruals	<u>83,666</u>
Net Cash Provided By/(Used In) Operating Activities	256,392
Cash Flows From Investing Activities	
Purchase of investments	<u>(542,385)</u>
Net Cash Provided By/(Used In) Investing Activities	(542,385)
Cash Flows From Financing Activities	
Principal payments on notes payable	<u>(158,803)</u>
Net Cash Provided By/(Used In) Financing Activities	<u>(158,803)</u>
Net Increase in Cash and Cash Equivalents	(444,796)
Cash and Cash Equivalents, Beginning of year	<u>2,832,058</u>
Cash and Cash Equivalents, End of year	<u>\$ 2,387,262</u>

SUPPLEMENTAL DISCLOSURE

Cash payments for interest during the years ended June 30, 2013 was \$55,217.



NORTHWESTERN STATE UNIVERSITY FOUNDATION  
NATCHITOCHES, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A.      Reporting Entity**

The Northwestern State University Foundation (the Foundation) is a non-profit corporation formed in 1960. Its purpose is to promote the educational and cultural welfare of Northwestern State University (the University) and to aid students in their studies at the University and to solicit and accept funds to achieve the foregoing objectives. The Foundation serves as an umbrella organization for the Northwestern State University Alumni Association and the Northwestern State University Athletic Association, each of which has its own board of directors. Funds for each of these organizations are combined with funds of the Foundation for presentation in these financial statements.

**B.      Cash and Cash Equivalents**

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**C.      Promises to Give**

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions are met in the fiscal year in which the contributions are made or as increases in temporary or permanently restricted net assets, depending on the nature of the restrictions. Temporarily and permanently restricted net assets are reclassified to unrestricted net assets in the fiscal year all restrictions are satisfied.

**D.      Allowance for Doubtful Accounts**

Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available, which would indicate the uncollectibility of the particular promise to give. At June 30, 2013, \$0 was considered to be uncollectible.

NORTHWESTERN STATE UNIVERSITY FOUNDATION  
NATCHITOCHES, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E.      Investments**

The Foundation has the same investment policy for all funds (i.e., Endowed and Non Endowed). The investment objective of the policy is a long-term real total return of at least five percent net of fees and expenses. The investments are invested in a wide range of asset classes including equities, fixed income, alternative investments (i.e., private equities, commodities, natural resources and real estate) and cash. All investments (Endowed and Non Endowed) are pooled to maximize investment efficiency with separate general ledger accounts being maintained for each Endowment and Non Endowment. The asset allocations are reviewed annually by the Investment Committee and discusses with the Investment Managers.

Investments are reported at fair value, which is determined using quoted market price of identical or similar securities. Donated investments are recorded at fair market value at date of receipt, which is then treated as cost.

Realized gains and losses on dispositions are based on the net proceeds and the adjusted cost basis of the securities sold, using the specific identification method. Realized and unrealized gains and losses are recognized in the Foundation's current operations.

**F.      Fixed Assets**

Fixed assets are carried at historical costs. Depreciation of all fixed assets used by the Northwestern State University Foundation is charged against operations. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

Donations of fixed assets are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire fixed assets are reported as restricted support. When donor stipulations are absent regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

NORTHWESTERN STATE UNIVERSITY FOUNDATION  
NATCHITOCHES, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G.      Collections and Works of Art**

Donated collections and works of art are recorded as support at their estimated fair value at the date of receipt. The Foundation has donated collections and works of art consisting of a collection of Southern History Journals and Salvador Dali paintings. These items are being carried on the Foundations books at \$20,000. Donated properties are not used for Foundation operations.

**H.      Funds Held in Custody**

Northwestern State University participates in a program with the State of Louisiana (the Eminent Scholars/Endowed Professorships Programs sponsored by the Louisiana Board of Regents) whereby the State contributes matching funds which, together with donations received by the Foundation, establishes endowment funds, which are accumulated and maintained by the University. The State match constitutes 40% of the total endowment. The liability "Funds Held in Custody" represents the donations received by the Foundation for these endowments. These funds are transferred to the University upon receipt of the State match.

**I.      Net Assets**

The Foundation classifies net assets into three categories: unrestricted, temporarily restricted and permanently restricted. All net assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Temporarily restricted net assets include contributions with temporary, donor-imposed time or purpose restrictions. Temporarily restricted net assets become unrestricted and are reported in the statement of activities as net assets released from restriction when the time restrictions expire or the contributions are used for the restricted purpose. Permanently restricted net assets include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting use of all or part of the investment income earned on the contributions.

**J.      Concentration of Credit Risk**

At various times during the year, cash on deposit with banking institutions may exceed the amounts insured by the Federal Deposit Insurance Corporation. Management monitors the financial condition of these institutions on a regular basis, along with their cash balances to minimize this potential risk.

NORTHWESTERN STATE UNIVERSITY FOUNDATION  
NATCHITOCHES, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K.      Endowment Funds**

Expenditures from Endowed funds are based on donor or other legally imposed restrictions being satisfied. These restrictions are reviewed by management and legal counsel, as necessary.

**L.      Income Taxes**

The Northwestern State University Foundation qualifies as a tax-exempt organization (an "other than private foundation") under Section 501 (c)(3) of the Internal Revenue Code.

**M.      Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2      CASH AND CASH EQUIVALENTS**

At June 30, 2013, the Foundation had cash and cash equivalents totaling \$2,387,262, as follows:

Non-interest bearing demand deposit accounts	\$            0
Interest bearing demand deposit accounts	2,147,607
Money market accounts	<u>239,655</u>
Total	<u>\$ 2,387,262</u>

At June 30, 2013, the Foundation had \$2,881,318 in bank deposits. These deposits are secured from risk by \$953,095 of federal deposit insurance and the remaining \$1,928,223 was unsecured.

**NOTE 3      PROMISES TO GIVE**

At June 30, 2013, the Foundation had unconditional promises to give consisting of the following:

Unrestricted promises to give	\$            0
Temporarily restricted	0
Restricted promises to give	<u>0</u>
Total	<u>\$ 0</u>

NORTHWESTERN STATE UNIVERSITY FOUNDATION  
NATCHITOCHES, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013

**NOTE 3      PROMISES TO GIVE (CONTINUED)**

The amounts are expected to be collected as follows:

Less than one year	\$            0
One to five years	<u>                 0</u>
Total	<u><u>                 0</u></u>

Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 6%.

Certain donors have stipulated in their will to donate to the Northwestern State University Foundation upon death. The total amount of conditional promises to give was unknown at June 30, 2013. As the donors have placed a condition on the donation, these amounts have not been recorded in the financial statements.

**NOTE 4      INVESTMENTS**

At June 30, 2013, the Foundation had investments summarized as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
Certificates of Deposit, maturities greater than 90 days	\$    358,833	\$            0	\$            0	\$    358,833
Corporate bonds	2,442,670	191,618	0	2,634,288
Equity securities	5,668,601	1,087,817	0	6,756,418
Mutual funds	1,218,272	121,286	0	1,339,558
Other	<u>45,954</u>	<u>257</u>	<u>1</u>	<u>46,210</u>
Total	<u><u>\$   9,734,330</u></u>	<u><u>\$   1,400,978</u></u>	<u><u>\$            1</u></u>	<u><u>\$ 11,135,307</u></u>



NORTHWESTERN STATE UNIVERSITY FOUNDATION  
NATCHITOCHES, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013

**NOTE 4      INVESTMENTS (CONTINUED)**

Investment earnings included in the statement of activities was comprised of the following for the year ended June 30, 2013:

Investment income	\$     242,893
Unrealized gains/(losses) on investments	<u>1,137,559</u>
Total	<u>\$   1,380,452</u>

Total investment fees and expenses incurred on investments for the year ended June 30, 2013 was \$41,417 and was included in other program services expenses.

**NOTE 5      FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Foundation adopted FASB Accounting Standards Codification Topic 820, "Fair Value Measurements" (Topic 820). Topic 820 requires disclosures that stratify balance sheet amounts measured at fair value based on the inputs used to derive fair value measurements. These strata included:

Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume).

Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and

Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Foundation-specific data. These unobservable assumptions reflect the Foundation's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow modes and similar techniques, but may also include the use of market prices of asset or liabilities that are not directly comparable to the subject asset or liability.

NORTHWESTERN STATE UNIVERSITY FOUNDATION  
NATCHITOCHES, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013

**NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

Fair values of assets and liabilities measured on a recurring basis at June 30, 2013 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Certificates of Deposit, maturities greater than 90 days	\$ 358,833	\$ 0	\$ 0	\$ 358,833
Corporate bonds	2,634,288	0	0	2,634,288
Equity securities	6,756,418	0	0	6,756,418
Mutual funds	1,339,558	0	0	1,339,558
Other	46,210	0	0	46,210
Total	<u>\$ 11,135,307</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,135,307</u>

Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

Balance at June 30, 2012	\$ 0
Realized and unrealized gain/(losses)	0
Purchases, issuances and settlements	0
Transfers in and/or out of Level 3, net	0
Balance at June 30, 2013	<u>\$ 0</u>

**NOTE 6 FIXED ASSETS**

At June 30, 2013, the Foundation had fixed assets summarized as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Depreciation This Year</u>
Automobiles	\$ 0	\$ 0	\$ 0	\$ 0
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**NOTE 7 OTHER ASSETS**

At June 30, 2013, the Foundation had other assets summarized as follows:

Cash surrender value of life insurance (3 policies)	\$ 46,416
Collections and works of art	20,000
Total	<u>\$ 66,416</u>



NORTHWESTERN STATE UNIVERSITY FOUNDATION  
NATCHITOCHES, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013

**NOTE 8      ACCOUNTS PAYABLE AND ACCRUALS**

At June 30, 2013, the Foundation had accounts payable and accruals of the following:

Vendor	\$     150,913
Interest expense	37,657
Salaries and related benefits	<u>0</u>
Total	<u>\$    188,570</u>

**NOTE 9      FUNDS HELD IN CUSTODY**

At June 30, 2013, the Foundation had funds held in custody summarized as follows:

Endowed professorships	\$             0
Total	<u>\$             0</u>

**NOTE 10     LONG-TERM DEBT**

The following is a summary of debt transactions of the Foundation for the year ended June 30, 2013:

	Balance			Balance	Current
	<u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2013</u>	<u>Amounts</u>
Note payable - PSB 09	\$ 1,115,424	\$         0	\$ 158,803	\$ 956,621	\$ 158,424
Note payable - CBT 10	79,876	0	0	79,876	19,936
Total	<u>\$ 1,195,300</u>	<u>\$         0</u>	<u>\$ 158,803</u>	<u>\$ 1,036,497</u>	<u>\$ 178,360</u>

The terms of the individual debt issues of the Foundation are as follows:

	Interest	Maturity	Amount	Amount
	<u>Rate</u>	<u>Date</u>	<u>Issued</u>	<u>Outstanding</u>
Note payable - PSB 09	4.5%	2019	\$ 1,595,000	\$ 956,621
Note payable - CBT 10	4.0%	2017	99,813	79,876
Total			<u>\$ 1,694,813</u>	<u>\$ 1,036,497</u>



NORTHWESTERN STATE UNIVERSITY FOUNDATION  
NATCHITOCHES, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013

**NOTE 10      LONG-TERM DEBT (CONTINUED)**

The annual requirements to amortize all debt outstanding as of June 30, 2013, including interest payments are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 178,360	\$ 39,505	\$ 217,865
2015	179,437	31,537	210,974
2016	179,437	23,563	203,000
2017	179,567	15,582	195,149
2018	159,500	8,405	167,905
2019	160,196	1,202	161,398
Total	<u>\$ 1,036,497</u>	<u>\$ 119,794</u>	<u>\$ 1,156,291</u>

Total interest expense incurred on long-term debt for the year ended June 30, 2013 was \$49,379 and was included in other program services expenses.

**NOTE 11      TEMPORARILY RESTRICTED NET ASSETS**

During the year ended June 30, 2013, temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

Equipment purchases for NSU	\$ 299,361
Marketing and promotions	260,380
Materials and supplies	541,346
Professional services	207,864
Scholarships	920,621
Transfers to NSU	365,181
Travel	215,515
Other program services expenses	365,920
Fund raising	233,307
Management and general	60,100
Total Restrictions Released	<u>\$ 3,469,595</u>

At June 30, 2013, the Foundation had temporarily restricted net assets of \$3,513,269.

NORTHWESTERN STATE UNIVERSITY FOUNDATION  
NATCHITOCHES, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013

**NOTE 12 PERMANENTLY RESTRICTED NET ASSETS**

At June 30, 2013, the Foundation had net assets permanently restricted for the following purposes:

Athletics	\$ 1,463,922
Scholarships	<u>7,128,292</u>
Total Permanently Restricted Net Assets	<u>\$ 8,592,214</u>

**NOTE 13 ENDOWED NET ASSETS**

At June 30, 2013, the Foundation had an Endowed net asset composition as follows:

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Total</u>
Balance at June 30, 2012	\$ 0	\$ 2,741,789	\$ 8,048,988	\$ 10,790,777
Contributions	0	235,489	670,774	906,263
Investment income	0	231,571	79	231,650
Unrealized gains/(losses) on investments	0	1,129,577	0	1,129,577
Other income/(expense)	0	(577,014)	0	(577,014)
Released from restriction	0	(62,962)	52,373	(10,589)
Transfers to NSU	<u>0</u>	<u>(185,181)</u>	<u>(180,000)</u>	<u>(365,181)</u>
Balance at June 30, 2013	<u>\$ 0</u>	<u>\$ 3,513,269</u>	<u>\$ 8,592,214</u>	<u>\$ 12,105,483</u>

**NOTE 14 LEASE OBLIGATIONS**

The Northwestern State University Foundation was not obligated under any capital or operating leases at June 30, 2013.

**NOTE 15 LITIGATION**

There was no outstanding litigation against the Northwestern State University Foundation at June 30, 2013.



NORTHWESTERN STATE UNIVERSITY FOUNDATION  
NATCHITOCHES, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013

**NOTE 16      DONATED SERVICES**

During the year ended June 30, 2013, the Northwestern State University Foundation received a significant amount of donated services from unpaid volunteers who assist in fund raising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

**NOTE 17      TRANSACTIONS WITH NORTHWESTERN STATE UNIVERSITY**

During the year ended June 30, 2013, Northwestern State University provided certain personnel services and usage of office space and equipment to the Northwestern State University Foundation. In return, the Foundation solicited and accepted funds for the benefit of the University. The estimated value of these transactions for the year ended June 30, 2013 was \$221,400.

**NOTE 18      SUBSEQUENT EVENTS**

On July 1, 2013, the Northwestern State University Athletic Association transferred all its assets, liabilities, net assets and operations to its own 501(c)(3) organization and ceased any affiliation with the Northwestern State University Foundation.

